



## Food and beverages Quarterly Brief: No. 1, 2024

Directorate: Agro-processing Support

### Highlights of 2024: Q1 (January to March)

In 2024: Q1, the consumer price index (CPI) for all items moderated quarter-to-quarter by 0,9% following a 1,4% growth in the last quarter; similarly, the CPI moderated by 5,4% year-on-year.

In 2024: Q1, the producer price index (PPI) for all items moderated by 0,2% as compared to a 1,8% growth in the preceding quarter. Similarly, it moderated by 4,6% year-on-year.

During 2024: Q1, the seasonally adjusted volume of production for the beverages division contracted quarter-to-quarter by 0,8% as compared to a 1,1% growth in the preceding quarter. Similarly, the division contracted by 3,6% year-on-year.

The seasonally adjusted volume of production of the food division rebounded by 3,8% quarter-to-quarter following a 0,6% contraction in the last quarter, however, the division receded further by 1,1% year-on-year.

The nominal value of sales for the food division increased from R142 814,3 million in the previous quarter to R153 246,1 million in the current quarter, translating to a 7,3% expansion in 2024: Q1.

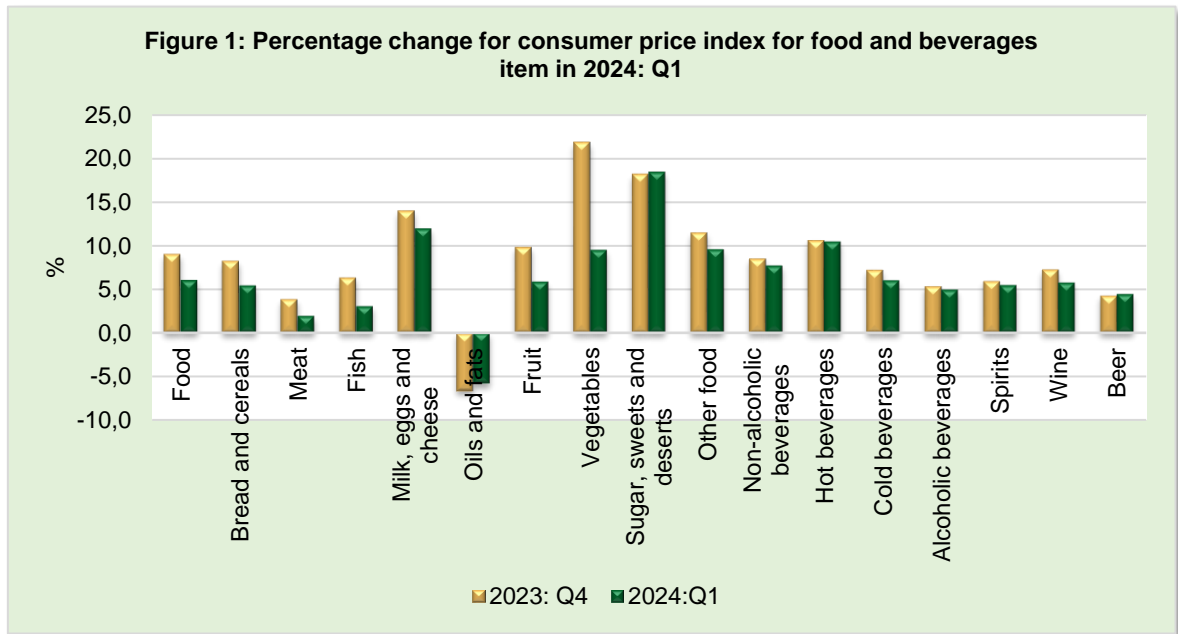
The nominal value for sales for the beverages division, similarly, grew from R49 995,5 million in the preceding quarter to R50 307,8 million in 2024: Q1, which represents a 0,6% moderate growth.

The trade surplus for the food division narrowed from R3 056,0 million in the last quarter to R957,5 million in the current quarter. The trade surplus for the beverages division, similarly, narrowed from R3 481,4 million in the last quarter to R2 787,1 million in the period under review.

The quarter-to-quarter employment in the food division rebounded by 3,2% from a 1,8% contraction in the last quarter, however, it rose by 1,6% year-on-year. The beverages and

tobacco division rose by 11,8% quarter-to-quarter from 1,2% growth in the preceding quarter, similarly, the division rose by 13,0% year-on-year.

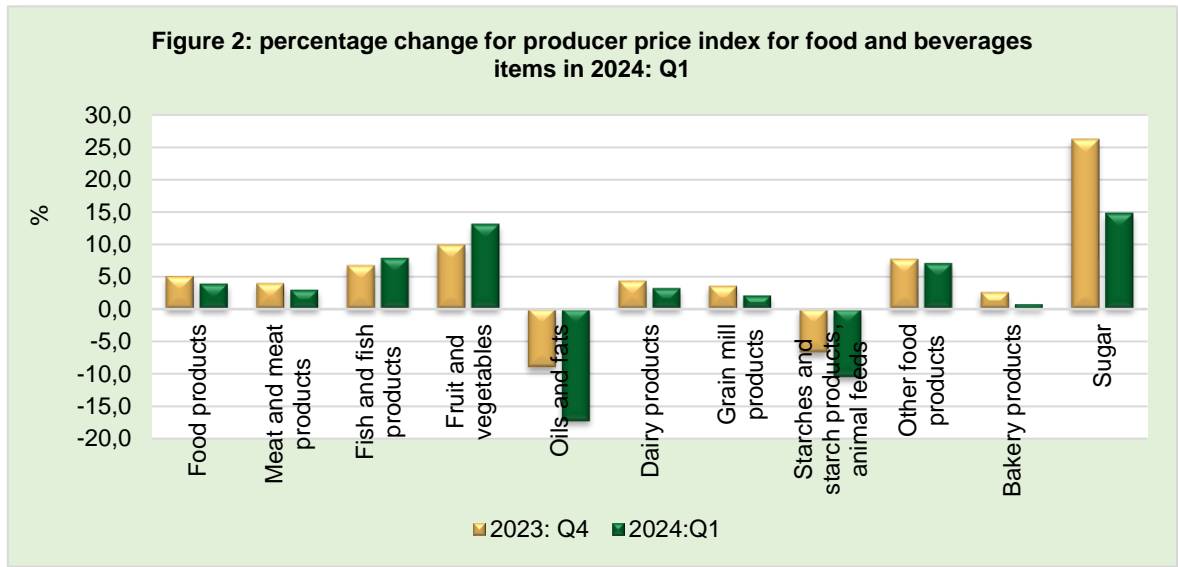
## 1. Consumer prices



Source: Statistics SA, 2024

Figure 1 above shows the CPI for food items in 2023: Q4 and 2024: Q1. In 2024: Q1, the consumer price index for all items moderated quarter-to-quarter by 0,9% following a 1,4% growth in the last quarter; similarly, the CPI moderated by 5,4% year-on-year. The items that moderated quarter-to-quarter were: food (6,0%), bread and cereals (5,4%), meat (1,9%), fish (3,1%), milk, eggs and cheese (12,0%), fruit (5,9%), vegetables (9,5%), “other food products” (9,6%), non-alcoholic beverages (7,7%), hot beverages (10,5%), cold beverages (6,0%), alcoholic beverages (5,0%), spirits (5,5%), wine (5,8%) and beer (4,4%). However, oils and fats receded further by 5,8%, while sugar, sweets and desserts rose by 18,5%.

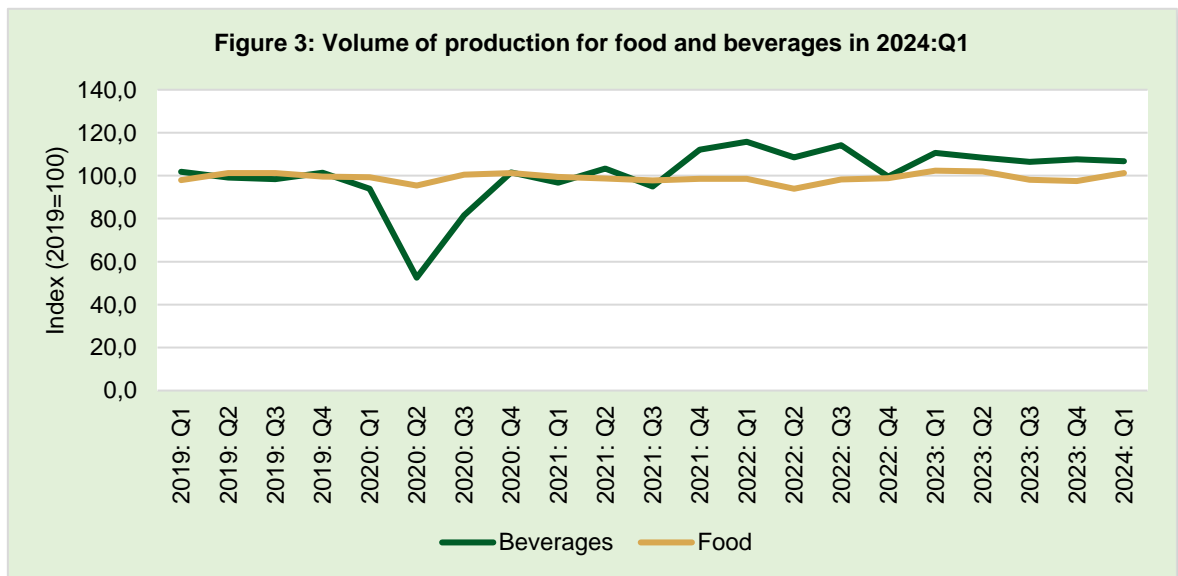
## 2. Producer prices



Source: Quantec, 2024

The PPI for food and beverages is depicted in Figure 2. In 2024: Q1, the producer price index for all items moderated by 0,2% as compared to a 1,8% growth in the preceding quarter. Similarly, it moderated by 4,6% year-on-year. The quarter-to-quarter producer price index moderated for food products (3,9%), meat and meat products (3,0%), dairy products (3,2%), grain mill products (2,0%) and “other food products” (7,0%). Fish and fish products and fruit and vegetables rose by 7,8% and 1,3%, respectively. Oils and fats and starch and starch products decelerated by 17,3% and 10,5%, respectively, while bakery products and sugar moderated by 0,7% and 14,7%, respectively.

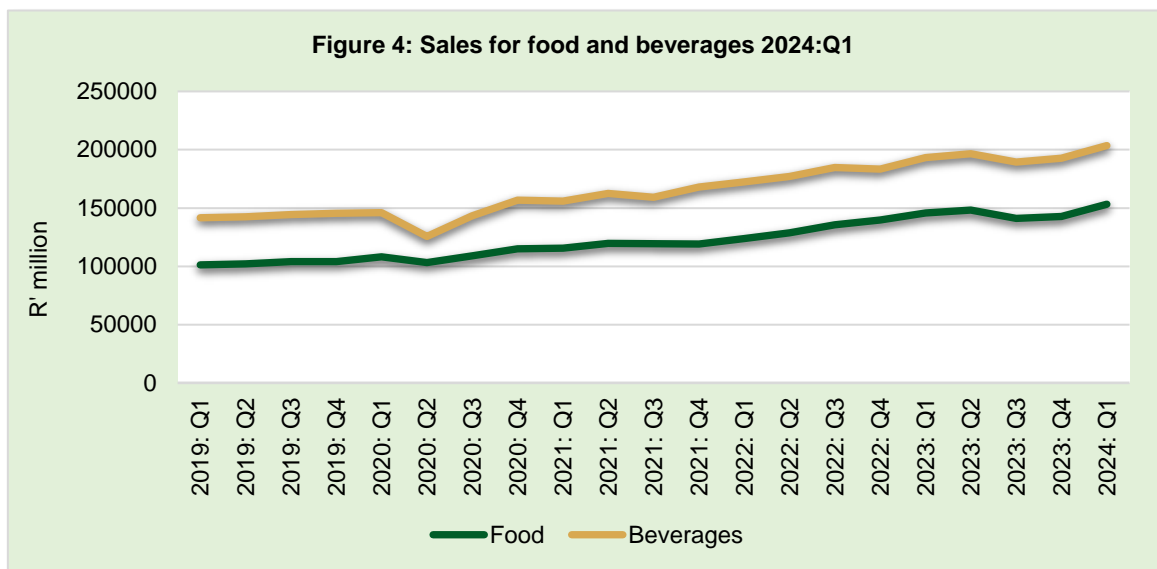
## 3. Volume of production



Source: Quantec, 2024

During 2024: Q1, the seasonally adjusted volume of production for the beverages division contracted quarter-to-quarter by 0,8% as compared to a 1,1% growth in the preceding quarter. Similarly, the division contracted by 3,6% year-on-year. The seasonally adjusted volume of production of the food division rebounded by 3,8% quarter-to-quarter following a 0,6% contraction in the last quarter, however, the division receded further by 1,1% year-on-year (see Figure 3).

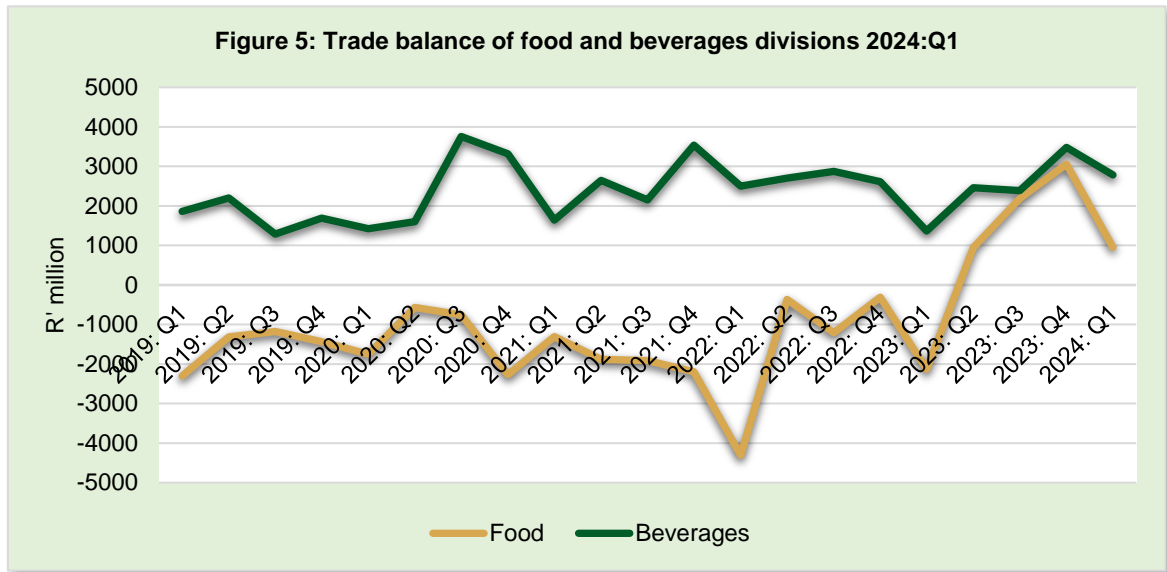
#### 4. Sales



Source: Quantec, 2024

Figure 4 above shows the seasonally adjusted value of sales for food and beverages for the past five years. As depicted in Figure 4, sales for both divisions have gradually been increasing. The nominal value of sales for the food division increased from R142 814,3 million in the previous quarter to R153 246,1 million in the current quarter, translating to a 7,3% expansion in 2024: Q1. The nominal value for the beverages division, similarly, grew from R49 995,5 million in the preceding quarter to R50 307,8 million in 2024: Q1, which represents a moderate growth of 0,6%.

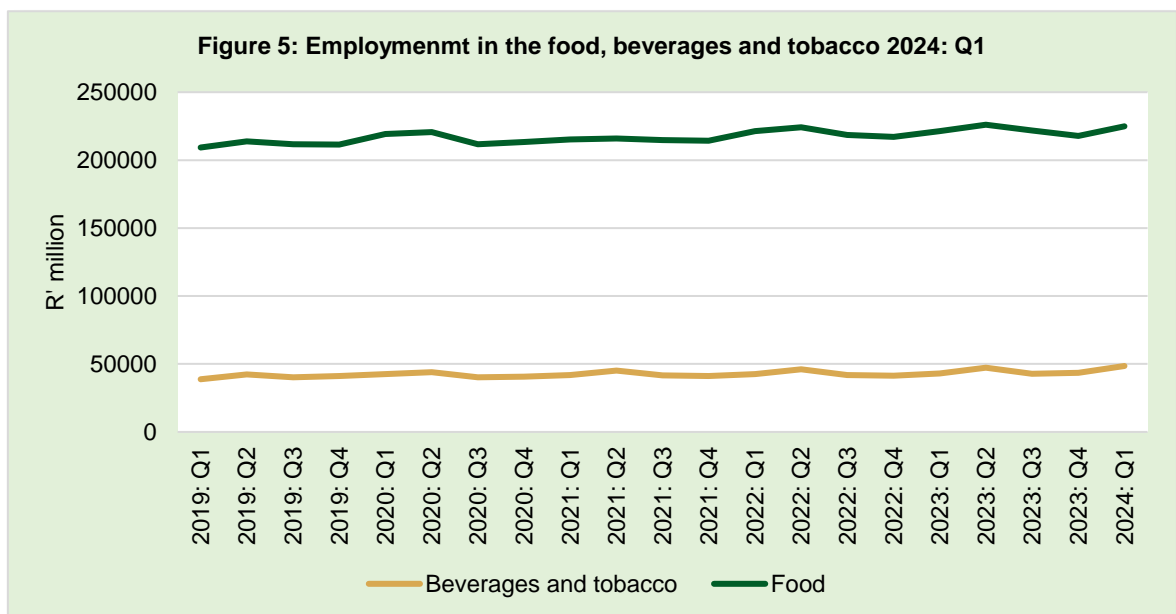
## 5. Trade



Source: Quantec, 2024

Figure 5 above shows the trade balance for the food and beverages divisions over the five-year period. The graph shows that the food and beverages divisions have been fluctuating since 2019: Q1 to 2024: Q1. The trade surplus for the food division narrowed from R3 056,0 million in the last quarter to R957,5 million in the current quarter. The trade surplus for the beverages division, similarly, narrowed from R3 481,4 million in the last quarter to R2 787,1 million in the current quarter.

## 6. Employment



Source: Quantec, 2024

Figure 6 above shows employment in the food and beverages and tobacco divisions. In 2024: Q1, the quarter-to-quarter employment in the food division rebounded by 3,2% from a 1,8% contraction in the last quarter, however, it rose by 1,6% year-on-year. The beverages and tobacco division rose by 11,8% quarter-to-quarter from 1,2% growth in the preceding quarter, similarly, the division rose by 13,0% year-on-year. As a result, 7 014 and 5 111 jobs were created in the food and beverages and tobacco divisions in 2024: Q1, respectively.

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